Agenda Item 4B

Comparison of ISRE 2400 (Revised) requirements to AR-C section 90

Note: For the full text of ISRE 2400 (Revised), see https://www.ifac.org/system/files/publications/files/International-Standard-on-Review-Engagements-2400-(Revised)-Engagements-to-Review-Historical-Financial-Statements.pdf

Those requirements in ISRE 2400 (Revised) that are not included in AR-C section 90 are highlighted.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
18. The practitioner shall have an understanding of the entire text of this ISRE, including its application and other explanatory material, to understand its	**[AR-C section 60]** **.12** The accountant should have an understanding of the entire text of an AR-C section, including its application and other explanatory material, to understand	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
objectives and to apply its requirements properly.	its objectives and apply its requirements properly.	
19. The practitioner shall comply with each requirement of this ISRE, unless a requirement is not relevant to the review engagement. A requirement is relevant to the review engagement when the circumstances addressed by the requirement exist.	**[AR-C section 60]** **.14** Subject to paragraph .16, the accountant should comply with each requirement of the relevant AR-C section unless, in the circumstances of the engagement, the requirement is not relevant because it is conditional, and the condition does not exist.	
20. The practitioner shall not represent compliance with this ISRE in the practitioner's report unless the practitioner has complied with all the requirements of this ISRE relevant to the review engagement.	**[AR-C section 60]** **.13** An accountant should not represent compliance with SSARSs in the accountant's compilation or review report unless the accountant has complied with the requirements of this section and all other AR-C sections relevant to the engagement.	
21. The practitioner shall comply with relevant ethical requirements, including those pertaining to independence.	**[AR-C section 60]** **.08** The accountant should comply with relevant ethical requirements.	Paragraph .A12 of AR-C section 60 states that "objectivity and independence" are part of the "fundamental principles of professional ethics."
22. The practitioner shall plan and perform the engagement with professional skepticism recognizing that circumstances may exist that cause the financial statements to be materially misstated.		At its meeting in May 2017, the ARSC concluded that the requirement in ISRE 2400 (Revised) does not result in an incremental requirement.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
23. The practitioner shall exercise professional judgment in conducting a review engagement.	**[AR-C section 60]** **.09** The accountant should exercise professional judgment in the performance of an engagement in accordance with SSARSs.	
24. The engagement partner shall possess competence in assurance skills and techniques, and competence in financial reporting, appropriate to the engagement circumstances.	**[AR-C section 60]** **.19** In an engagement performed in accordance with SSARSs, the engagement partner should possess the competence and capabilities to perform the engagement and competence in financial reporting, appropriate to the engagement circumstances.	"assurance skills and techniques" is used in ISRE 2400 (Revised) whereas AR-C section 60 refers only to "capabilities to perform the engagement." The difference in wording is so that the AR-C section 60 requirement would run to compilation and preparation engagements, as well as reviews.
25. The engagement partner shall take responsibility for: (a) The overall quality of each review engagement to which that partner is assigned; (b) The direction, supervision, planning and performance of the review engagement in compliance with	**[AR-C section 60]** **.20** In an engagement performed in accordance with SSARSs, the engagement partner should take responsibility for the following: *a.* The overall quality of each engagement to which that partner is assigned *b.* The direction, supervision, planning and performance of the engagement in compliance	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
professional standards and applicable legal and regulatory requirements;	with professional standards and applicable legal and regulatory requirements	
(c) The practitioner's report being appropriate in the circumstances, and	*c.* The accountant's report being appropriate in the circumstances	
(d) The engagement being performed in accordance with the firm's quality control policies, including the following:	*d.* The engagement being performed in accordance with the firm's quality control policies and procedures, including the following:	
(i) Being satisfied that appropriate procedures regarding the acceptance and continuance of client relationships and engagements have been followed and that conclusions reached are appropriate, including considering whether there is information that would lead the engagement partner to	i. Being satisfied that appropriate procedures regarding the acceptance and continuance of client relationships and engagements have been followed, and that conclusions reached are appropriate, including considering whether there is information that would lead the engagement partner to conclude that management lacks integrity	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
conclude that management lacks integrity; (ii) Being satisfied that the engagement team collectively has the appropriate competence and capabilities, including assurance skills and expertise in financial reporting to: a. Perform the review engagement in accordance with professional standards and applicable legal and regulatory requirements and b. Enable a report that is appropriate in the circumstances to be issued; and (iii) Taking responsibility for appropriate engagement documentation being maintained.	ii. Being satisfied that the engagement team collectively has the appropriate competence and capabilities to perform the engagement and expertise in financial reporting to (1) perform the engagement in accordance with professional standards and applicable legal and regulatory requirements and (2) enable a report that is appropriate in the circumstances to be issued, if applicable iii. Taking responsibility for appropriate engagement documentation being maintained.	Not incremental

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
26. If the engagement partner obtains information that would have caused the firm to decline the engagement had that information been available earlier, the engagement partner shall communicate that information promptly to the firm, so that the firm and the engagement partner can take the necessary action.	**[AR-C section 60]** **.21** If the engagement partner obtains information that would have caused the firm to decline the engagement had that information been available earlier, the engagement partner should communicate that information promptly to the firm, so that the firm and the engagement partner can take the necessary action.	
27. Throughout the engagement, the engagement partner shall remain alert, through observation and making inquiries as necessary, for evidence of non-compliance with relevant ethical requirements by members of the engagement team. If matters come to the engagement partner's attention through the firm's system of quality control or otherwise that indicate that members of the engagement team have not complied with relevant ethical requirements, the engagement partner, in consultation with others in the firm, shall determine the appropriate action.	**[AR-C section 60]** **.22** Throughout the engagement, the engagement partner should remain alert, through observation and making inquiries as necessary, for evidence of noncompliance with relevant ethical requirements by members of the engagement team. If matters come to the engagement partner's attention through the firm's system of quality control or otherwise that indicate that members of the engagement team have not complied with relevant ethical requirements, the engagement partner, in consultation with	

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	others in the firm, should determine the appropriate action.	
28. An effective system of quality control for a firm includes a monitoring process designed to provide the firm with reasonable assurance that the firm's policies and procedures relating to the system of quality control are relevant, adequate and operate effectively. The engagement partner shall consider the results of the firm's monitoring process as evidenced in the latest information circulated by the firm and, if applicable, other network firms and whether deficiencies noted in that information may affect the review engagement.	**[AR-C section 60]** **.23** An effective system of quality control for a firm includes a monitoring process designed to provide the firm with reasonable assurance that the firm's policies and procedures relating to the system of quality control are relevant, adequate, and operating effectively. The engagement partner should consider the results of the firm's monitoring process as evidenced in the latest information circulated by the firm and, if applicable, other network firms and whether deficiencies noted in that information may affect the engagement.	
29. Unless required by law or regulation, the practitioner shall not accept a review engagement if: (a) The practitioner is not satisfied: (i) That there is a rational purpose for the engagement; or	**[AR-C section 60]** **.24** The accountant should not accept an engagement to be performed in accordance with SSARSs if	Not incremental

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(ii) That a review engagement would be appropriate in the circumstances;		
(b) The practitioner has reason to believe that relevant ethical requirements, including independence, will not be satisfied;	*a.* the accountant has reason to believe that relevant ethical requirements will not be satisfied;	
(c) The practitioner's preliminary understanding of the engagement circumstances indicates that information needed to perform the review engagement is likely to be unavailable or unreliable;	*b.* the accountant's preliminary understanding of the engagement circumstances indicates that information needed to perform the engagement is likely to be unavailable or unreliable; or	
(d) The practitioner has cause to doubt management's integrity such that it is likely to affect proper performance of the review; or	*c.* the accountant has cause to doubt management's integrity such that it is likely to affect the performance of the engagement.	
(e) Management or those charged with governance impose a limitation on the scope of the practitioner's work in the terms of a proposed review engagement such that the practitioner believes the limitation will result in the practitioner	**.08** The accountant should not accept a review engagement if, in addition to the requirements in paragraph .24 of section 60, management or those charged with governance impose a limitation on the scope of the accountant's work in terms of a proposed review engagement such that	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
disclaiming a conclusion on the financial statements.	the accountant believes the limitation will result in the accountant being unable to perform review procedures to provide an adequate basis for issuing a review report.	A SSARSs review does not contemplate the accountant disclaiming on the financial statements.
30. Prior to accepting a review engagement, the practitioner shall:	**[AR-C section 60]** **.25** As a condition for accepting an engagement to be performed in accordance with SSARSs, the accountant should *a.* determine whether preliminary knowledge of the engagement circumstances indicate that ethical requirements regarding professional competence will be satisfied.	
(a) Determine whether the financial reporting framework applied in the preparation of the financial statements is acceptable including, in the case of special purpose financial statements, obtaining an understanding of the purpose for which the financial statements are prepared and of the intended users; and	*b.* determine whether the financial reporting framework selected by management to be applied in the preparation of the financial statements is acceptable.	The ARSC concluded that the requirement in paragraph .25b of AR-C section 90 and the requirement in paragraph 30(a) of ISRE 2400 (Revised) are substantially similar.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(b) Obtain the agreement of management that it acknowledges and understands its responsibilities: (i) For preparation of the financial statements in accordance with the applicable financial reporting framework, including, where relevant, their fair presentation; (ii) For such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and	*c.* obtain the agreement of management that it acknowledges and understands its responsibility i. for the selection of the financial reporting framework to be applied in the preparation of financial statements. ii. for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error. iii. for preventing and detecting fraud. iv. for ensuring that the entity complies with laws and regulations applicable to its activities. v. for the accuracy and completeness of the	See paragraph .09a of AR-C section 90

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
	records, documents, explanations, and other information, including significant judgments provided by management for the preparation of financial statements.	
(iii) To provide the practitioner with:	vi. to provide the accountant with (Ref: par. .A49)	
a. Access to all information of which management is aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;	(1) access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.	
b. Additional information that the practitioner may request from management for the purpose of the review; and	(2) additional information that the accountant may request from management for the purpose of the engagement.	
	(3) unrestricted access to persons within the	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
c. Unrestricted access to persons within the entity from whom the practitioner determines it necessary to obtain evidence.	entity of whom the accountant determines it necessary to make inquiries. **.09** As a condition for accepting an engagement to review an entity's financial statements, in addition to the requirements in paragraph .25 of section 60, the accountant should obtain the agreement of management that it acknowledges and understands its responsibility *a.* for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework and the inclusion of all informative disclosures that are appropriate for the applicable financial reporting framework used to prepare the entity's financial statements. If the financial statements are prepared in accordance with a special purpose framework, this includes	SSARSs uses the phrase "make inquires" as opposed to "obtain evidence" as the requirement runs to preparation and compilation engagements as well as reviews.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
	i. a description of the special purpose framework, including a summary of significant accounting policies, and how the framework differs from GAAP, the effect of which need not be quantified, and informative disclosures similar to those required by GAAP in the case of special purpose financial statements that contain items that are the same as, or similar to, those in financial statements prepared in accordance with GAAP, ii. a description of any significant interpretations of the contract on which the special purpose financial statements are prepared in the case of financial statements prepared in accordance with a contractual-basis of accounting, and	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
	iii. additional disclosures beyond those specifically required by the framework that may be necessary for the special purpose framework to achieve fair presentation. *b.* to provide the accountant, at the conclusion of the engagement, with a letter that confirms certain representations made during the review. *c.* to include the accountant's review report in any document containing financial statements that indicates that such financial statements have been reviewed by the entity's accountant unless a different understanding is reached.	
31. If the practitioner is not satisfied as to any of the matters set out above as preconditions for accepting a review engagement, the practitioner shall discuss the matter with management or those	**.10** If the accountant is not satisfied about any of the matters set out in paragraph .25 of section 60 or paragraph .09 of this section as preconditions for	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
charged with governance. If changes cannot be made to satisfy the practitioner as to those matters, the practitioner shall not accept the proposed engagement unless required by law or regulation to do so. However, an engagement conducted under such circumstances does not comply with this ISRE. Accordingly, the practitioner shall not include any reference within the practitioner's report to the review having been conducted in accordance with this ISRE.	accepting a review engagement, the accountant should discuss the matter with management or those charged with governance. If changes cannot be made to satisfy the accountant about those matters, the accountant should not accept the proposed engagement.	Not necessary for American accountants.
32. If it is discovered after the engagement has been accepted that the practitioner is not satisfied as to any of the above preconditions, the practitioner shall discuss the matter with management or those charged with governance, and shall determine: (a) Whether the matter can be resolved; (b) Whether it is appropriate to continue with the engagement; and (c) Whether and, if so, how to communicate the matter in the practitioner's report.		Not incremental

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33. The practitioner's report issued for the review engagement shall refer to this ISRE only if the report complies with the requirements of paragraph 86.		Not incremental
34. In some cases, when the review is performed pursuant to applicable law or regulation of a jurisdiction, the relevant law or regulation may prescribe the layout or wording of the practitioner's report in a form or in terms that are significantly different from the requirements of this ISRE. In those circumstances, the practitioner shall evaluate whether users might misunderstand the assurance obtained from the review of the financial statements and, if so, whether additional explanation in the practitioner's report can mitigate possible misunderstanding.		The ARSC concluded that the requirement is not necessary in the American environment.
35. If the practitioner concludes that additional explanation in the practitioner's report cannot mitigate possible misunderstanding, the practitioner shall not accept the review engagement unless required by law or regulation to do so. A review conducted in accordance with such law or regulation does not comply with this ISRE. Accordingly, the practitioner shall not include any reference within the practitioner's report to the review having		The ARSC concluded that the requirement is not necessary in the American environment.

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been conducted in accordance with this ISRE.		
36. The practitioner shall agree the terms of the engagement with management or those charged with governance, as appropriate, prior to performing the engagement. 37. The agreed terms of engagement shall be recorded in an engagement letter or other suitable form of written agreement, and shall include: (a) The intended use and distribution of the financial statements, and any restrictions on use or distribution where applicable; (b) Identification of the applicable financial reporting framework; (c) The objective and scope of the review engagement; (d) The responsibilities of the practitioner; (e) The responsibilities of management, including those in paragraph 30(b);	**.11** The accountant should agree upon the terms of the engagement with management or those charged with governance, as appropriate. The agreed-upon terms of the engagement should be documented in an engagement letter or other suitable form of written agreement and should include the following: *a.* The objectives of the engagement *b.* The responsibilities of management set forth in paragraph .25*c* of section 60 and paragraph .09 of this section *c.* The responsibilities of the accountant *d.* The limitations of a review engagement *e.* Identification of the applicable financial reporting framework for the preparation of the financial statements	The ARSC concluded that due to the American legal environment and concerns with respect to privity, that the requirement is not appropriate for SSARSs.

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(f) A statement that the engagement is not an audit, and that the practitioner will not express an audit opinion on the financial statements; and (g) Reference to the expected form and content of the report to be issued by the practitioner, and a statement that there may be circumstances in which the report may differ from its expected form and content.	*f.* The expected form and content of the accountant's review report and a statement that there may be circumstances in which the report may differ from its expected form and content	The limitations of the review as required in paragraph .11d of AR-C section 90 covers the requirement on paragraph .37(f) of ISRE 2400 (Revised).
38. On recurring review engagements, the practitioner shall evaluate whether circumstances, including changes in the engagement acceptance considerations, require the terms of engagement to be revised and whether there is a need to remind management or those charged with governance, as appropriate, of the existing terms of engagement.		Not included in SSARSs as the ARSC determined that it did not want to recommend multi-year engagement letters. It is discussed in the SSARSs Guide. This may result in a change in practice for those practitioners who do obtain multi-year engagement letters.
39. The practitioner shall not agree to a change in the terms of the engagement where there is no reasonable justification for doing so.		Not incremental.
40. If, prior to completing the review engagement, the practitioner is requested to change the engagement to an engagement for which no assurance is		Guidance with respect to change in engagement from audit or review to a compilation engagement is included in paragraphs 2.90-2.95 of the Guide,

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obtained, the practitioner shall determine whether there is reasonable justification for doing so.		*Preparation, Compilation, and Review Engagements.*
41. If the terms of engagement are changed during the course of the engagement, the practitioner and management or those charged with governance, as appropriate, shall agree on and record the new terms of the engagement in an engagement letter or other suitable form of written agreement.		Not incremental.
42. The practitioner shall communicate with management or those charged with governance, as appropriate, on a timely basis during the course of the review engagement, all matters concerning the review engagement that, in the practitioner's professional judgment, are of sufficient importance to merit the attention of management or those charged with governance, as appropriate.	.13 The accountant should communicate with management or those charged with governance, as appropriate, on a timely basis during the course of the review engagement, all matters concerning the review engagement that, in the accountant's professional judgment, are of significant importance to merit the attention of management or those charged with governance, as appropriate.	
43. The practitioner shall determine materiality for the financial statements as a whole, and apply this materiality in designing the procedures and in evaluating the results obtained from those procedures.		While not explicit in AR-C section 90, the accountant cannot perform a review without determining materiality. The SSARSs Guide provides the appropriate authoritative guidance.
44. The practitioner shall revise materiality for the financial statements as a whole in the event of becoming aware of information during the review that would		See previous comment.

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have caused the practitioner to have determined a different amount initially.		
45. The practitioner shall obtain an understanding of the entity and its environment, and the applicable financial reporting framework, to identify areas in the financial statements where material misstatements are likely to arise and thereby provide a basis for designing procedures to address those areas.	**.14** To perform the review engagement, the accountant should possess or obtain an understanding of the industry in which the entity operates, including the accounting principles and practices generally used in the industry, sufficient to enable the accountant to review financial statements that are appropriate for an entity operating in that industry. **.15** The accountant should obtain knowledge about the entity, including an understanding of *a.* the entity's business and *b.* the accounting principles and practices used by the entity sufficient to identify areas in the financial statements where there is a greater likelihood that material misstatements may arise and to be able to design procedures to address those areas.	"its environment" wording used in ISRE 2400 (Revised) is considered substantially the same as "industry in which the entity operates" in paragraph .14 and "the entity's business" in paragraph .15a of AR-C section 90.
46. The practitioner's understanding shall include the following:	**.16** In obtaining the understanding of the entity's accounting policies and practices, the accountant should be alert to accounting policies and procedures that,	Paragraph .46 of ISRE 2400 (Revised) is substantially similar to paragraph .15 of AR-C section 90.

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(a) Relevant industry, regulatory, and other external factors including the applicable financial reporting framework; (b) The nature of the entity, including: (i) Its operations; (ii) Its ownership and governance structure; (iii) The types of investments that the entity is making and plans to make; (iv) The way that the entity is structured and how it is financed; and (v) The entity's objectives and strategies; (c) The entity's accounting systems and accounting records; and (d) The entity's selection and application of accounting policies.	based on the accountant's knowledge of the industry, are unusual.	
47. In obtaining sufficient appropriate evidence as the basis for a conclusion on	**.17** The accountant should design and perform analytical procedures and make	

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the financial statements as a whole, the practitioner shall design and perform inquiry and analytical procedures: (a) To address all material items in the financial statements, including disclosures; and (b) To focus on addressing areas in the financial statements where material misstatements are likely to arise.	inquiries and perform other procedures, as appropriate, to obtain limited assurance as a basis for reporting whether the accountant is aware of any material modifications that should be made to the financial statements in order for the statements to be in accordance with the applicable financial reporting framework based on the accountant's *a.* understanding of the industry, *b.* knowledge of the entity, and *c.* awareness of the risk that the accountant may unknowingly fail to modify the accountant's review report on financial statements that are materially misstated. **.18** The accountant should focus the analytical procedures and inquiries in those areas where the accountant believes there are increased risks of material misstatements.	This is an incremental procedure and is included in the summary of incremental procedures to be performed.
48. The practitioner's inquiries of management and others within the entity, as appropriate, shall include the following:	**.22** The accountant should inquire of members of management who have responsibility for financial and	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(a) How management makes the significant accounting estimates required under the applicable financial reporting framework; (b) The identification of related parties and related party transactions, including the purpose of those transactions; (c) Whether there are significant, unusual or complex transactions, events or matters that have affected or may affect the entity's financial statements, including: (i) Significant changes in the entity's business activities or operations; (ii) Significant changes to the terms of contracts that materially affect the entity's financial statements, including terms of finance and debt contracts or covenants;	accounting matters concerning the financial statements about *a.* whether the financial statements have been prepared and fairly presented in accordance with the applicable financial reporting framework consistently applied. *b.* unusual or complex situations that may have an effect on the financial statements. (Ref: par. .A41) *c.* significant transactions occurring or recognized during the period, particularly those in the last several days of the period. *d.* the status of uncorrected misstatements identified during the previous review (that is, whether adjustments had been recorded subsequent to the periods covered by the prior review and, if so, the amounts recorded and period in which such adjustments were recorded).	Paragraph .22n of AR-C section 90 requires the accountant to inquire as to whether management believes that significant assumptions used by it in making accounting estimates are reasonable. Paragraph .22l of AR-C section 90 requires the accountant to inquire as to related parties and significant new related party transactions. Paragraph .22b of AR-C section 90 requires the accountant to inquire as to unusual or complex situations that may have an effect on the financial statements. Then, Appendix B to AR-C section 90 provides examples of situations of such unusual or complex situations.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(iii) Significant journal entries or other adjustments to the financial statements; (iv) Significant transactions occurring or recognized near the end of the reporting period; (v) The status of any uncorrected misstatements identified during previous engagements; and (vi) Effects or possible implications for the entity of transactions or relationships with related parties; (d) The existence of any actual, suspected or alleged: (i) Fraud or illegal acts affecting the entity; and (ii) Non-compliance with provisions of laws and regulations that are generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements, such as tax and pension laws and regulations;	*e.* matters about which questions have arisen in the course of applying the review procedures. *f.* events subsequent to the date of the financial statements that could have a material effect on the fair presentation of such financial statements. *g.* its knowledge of any fraud or suspected fraud affecting the entity involving i. management, ii. employees who have significant roles in internal control, or iii. others, when the fraud could have a material effect on the financial statements. (Ref: par. .A42) *h.* whether management is aware of allegations of fraud or suspected fraud affecting the entity communicated by	Paragraph .22j of AR-C section 90. Paragraph .22c of AR-C section 90. Paragraph .22d of AR-C section 90. Paragraphs .22g, .22h, and .22i of AR-C section 90.

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(e) Whether management has identified and addressed events occurring between the date of the financial statements and the date of the practitioner's report that require adjustment of, or disclosure in, the financial statements; (f) The basis for management's assessment of the entity's ability to continue as a going concern; (g) Whether there are events or conditions that appear to cast doubt on the entity's ability to continue as a going concern; (h) Material commitments, contractual obligations or contingencies that have affected or may affect the entity's financial statements, including disclosures; and (i) Material non-monetary transactions or transactions for no consideration in the financial reporting period under consideration.	employees, former employees, regulators, or others. *i.* whether management has disclosed to the accountant all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements. *j.* significant journal entries and other adjustments. *k.* communications from regulatory agencies, if applicable. *l.* related parties and significant new related party transactions. *m.* any litigation, claims, and assessments that existed at the date of the balance sheet being reported on and during the period from the balance sheet date to the date of management's response to the accountant's inquiry.	Paragraph .22f of AR-C section 90. These are incremental procedures. Procedures (h) and (i) are included in the summary of incremental procedures to be performed. Procedures (f) and (g) are included in the proposed Omnibus – 2018 SSARS.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
	n. whether management believes that significant assumptions used by it in making accounting estimates are reasonable. *o.* actions taken at meetings of stockholders, the board of directors, committees of the board of directors, or comparable meetings that may affect the financial statements. *p.* any other matters that the accountant may consider necessary.	
49. In designing analytical procedures, the practitioner shall consider whether the data from the entity's accounting system and accounting records are adequate for the purpose of performing the analytical procedures.	**.20** When designing and performing analytical procedures, the accountant should *a.* determine the suitability of particular analytical procedures; *b.* consider the reliability of data from which the accountant's expectation of recorded amounts or ratios is developed, taking into account the source, comparability, and nature and	

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	relevance of information available; *c.* develop an expectation of recorded amounts or ratios and evaluate whether the expectation is sufficiently precise to provide the accountant with limited assurance that a misstatement will be identified that, either individually or when aggregated with other misstatements, may cause the financial statements to be materially misstated; and *d.* determine the amount of any difference of recorded amounts from expected values that is acceptable without further investigation as required by paragraph .21 and compare the recorded amounts, or ratios developed from recorded amounts, with the expectations.	
50. During the review, the practitioner shall remain alert for arrangements or information that may indicate the existence		Paragraph .22l of AR-C section 90 requires the accountant to inquire as to related parties and significant new related party

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of related party relationships or transactions that management has not previously identified or disclosed to the practitioner.		transactions. In addition, paragraph .34l requires the accountant to obtain a written representation from management that it has disclosed to the accountant the identity of the entity's related parties and all of the related party relationships and transactions of which it is aware, and it has appropriately accounted for and disclosed such relationships and transactions. However, there is no umbrella requirement for the accountant to "remain alert for arrangements or information that may indicate the existence of related party relationships or transactions that management has not previously identified or disclosed to the practitioner."
51. If the practitioner identifies significant transactions outside the entity's normal course of business in the course of performing the review, the practitioner shall inquire of management about: (a) The nature of those transactions; (b) Whether related parties could be involved; and (c) The business rationale (or lack thereof) of those transactions.		Appendix B to AR-C section 90 includes "significant, unusual, or infrequently occurring transactions" as examples of unusual or complex situations about which the accountant may inquire of management.

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52. When there is an indication that fraud or non-compliance with laws or regulations, or suspected fraud or non-compliance with laws or regulations, has occurred in the entity, the practitioner shall: (a) Communicate that matter to the appropriate level of senior management or those charged with governance as appropriate; (b) Request management's assessment of the effect(s), if any, on the financial statements; (c) Consider the effect, if any, of management's assessment of the effects of fraud or non-compliance with laws or regulations communicated to the practitioner on the practitioner's conclusion on the financial statements and on the practitioner's report; and (d) Determine whether there is a responsibility to report the occurrence	**.51** If the accountant becomes aware that fraud (including misappropriation of assets) may have occurred, the accountant should communicate the matter as soon as practicable to the appropriate level of management (at a level above those involved with the suspected fraud, if possible). If the accountant becomes aware of matters involving identified or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements, the accountant should communicate the matters to management, other than when matters are clearly inconsequential. If the fraud or noncompliance with laws or regulations involves senior management or results in a material misstatement of the financial statements, the accountant should communicate the matter directly to those charged with governance. If management or, as appropriate, those charged with governance do not provide sufficient information that supports that *a.* the financial statements are not materially misstated due to fraud or	Paragraph .51 of AR-C section 90 limits the accountant's communication responsibilities with respect to NOCLAR to effects that should be considered when preparing the financial statements and excludes matters that are clearly inconsequential. Paragraph .51 of AR-C section 90 requires that management provide sufficient information that supports that the financial statements are not materially misstated due to fraud. Not incremental. Paragraphs .A88-.A89 of AR-C section 90 discusses the accountant's responsibility to disclose to parties outside of the entity's

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
or suspicion of fraud or illegal acts to a party outside the entity.	*b.* the entity is in compliance with laws and regulations, and in the accountant's professional judgment, the effect of the suspected noncompliance may be material to the financial statements the accountant should consider the need to obtain legal advice and take appropriate action, including potential withdrawal.	senior management or those charged with governance.
53. A review of financial statements includes consideration of the entity's ability to continue as a going concern. In considering management's assessment of the entity's ability to continue as a going concern, the practitioner shall cover the same period as that used by management to make its assessment as required by the applicable financial reporting framework, or by law or regulation where a longer period is specified.	**.65** The accountant should consider whether, during the performance of review procedures, evidence or information came to the accountant's attention indicating that there could be an uncertainty about the entity's ability to continue as a going concern for a reasonable period of time. A reasonable period of time is the same period of time required of management to assess going concern when specified by the applicable financial reporting framework. If the applicable financial reporting framework does not specify a period of time for management, a reasonable period is one year from the date of the financial statements being reviewed (hereinafter referred to as a *reasonable period of time*).	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
54. If, during the performance of the review, the practitioner becomes aware of events or conditions that may cast significant doubt about the entity's ability to continue as a going concern, the practitioner shall: (a) Inquire of management about plans for future actions affecting the entity's ability to continue as a going concern and about the feasibility of those plans, and also whether management believes the outcome of those plans will improve the situation regarding the entity's ability to continue as a going concern; (b) Evaluate the results of those inquiries, to consider whether management's responses provide a sufficient basis to: (i) Continue to present the financial statements on the going concern basis if the applicable financial reporting framework includes the assumption of an entity's continuance as a going concern; or	**.66** If, after considering the evidence or information from paragraph .65, the accountant believes that there is an uncertainty about the entity's ability to continue as a going concern for a reasonable period of time, the accountant should request that management consider the possible effects of the going concern uncertainty on the financial statements, including the need for related disclosure. **.67** After management communicates to the accountant the results of its consideration of the possible effects on the financial statements, the accountant should consider the reasonableness of management's conclusions, including the adequacy of the related disclosure.	While the requirements are stated differently, the outcome is the same.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(ii) Conclude whether the financial statements are materially misstated, or are otherwise misleading regarding the entity's ability to continue as a going concern; and (c) Consider management's responses in light of all relevant information of which the practitioner is aware as a result of the review.		
55. In performing the review, it may be necessary for the practitioner to use work performed by other practitioners, or the work of an individual or organization possessing expertise in a field other than accounting or assurance. If the practitioner uses work performed by another practitioner or an expert in the course of performing the review, the practitioner shall take appropriate steps to be satisfied that the work performed is adequate for the practitioner's purposes.	**.25** If other accountants have issued a report on the financial statements of significant components, such as subsidiaries and investees, the accountant should obtain and read reports from such other accountants.	While this is incremental, it is not included in the summary of incremental procedures to be performed as the ARSC does not feel that it is necessary in a limited assurance engagement.
56. The practitioner shall obtain evidence that the financial statements agree with, or reconcile to, the entity's underlying accounting records.	**.26** The accountant should obtain evidence that the financial statements agree or reconcile with the accounting records.	
57. If the practitioner becomes aware of a matter(s) that causes the practitioner to believe the financial statements may be	**.30** If the accountant believes that the financial statements may be materially misstated, the accountant should perform	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
materially misstated, the practitioner shall design and perform additional procedures sufficient to enable the practitioner to: (a) Conclude that the matter(s) is not likely to cause the financial statements as a whole to be materially misstated; or (b) Determine that the matter(s) causes the financial statements as a whole to be materially misstated.	additional procedures deemed necessary to obtain limited assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in accordance with the applicable financial reporting framework.	
58. If the practitioner becomes aware of events occurring between the date of the financial statements and the date of the practitioner's report that require adjustment of, or disclosure in, the financial statements, the practitioner shall request management to correct those misstatements.	**.69** When evidence or information that subsequent events that require adjustment of, or disclosure in, the financial statements comes to the accountant's attention, the accountant should request that management consider whether each such event is appropriately reflected in the financial statements in accordance with the applicable financial reporting framework.	
59. The practitioner has no obligation to perform any procedures regarding the financial statements after the date of the practitioner's report. However, if, after the date of the practitioner's report but before the date the financial statements are issued, a fact becomes known to the practitioner that, had it been known to the practitioner	**.71** The accountant is not required to perform any review procedures regarding the financial statements after the date of the accountant's review report. However, if a subsequently discovered fact becomes known to the accountant before the report release date, the accountant should	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
at the date of the practitioner's report, may have caused the practitioner to amend the report, the practitioner shall: (a) Discuss the matter with management or those charged with governance, as appropriate; (b) Determine whether the financial statements need amendment; and (c) If so, inquire how management intends to address the matter in the financial statements.	*a.* discuss the matter with management and, when appropriate, those charged with governance and *b.* determine whether the financial statements need revision and, if so, inquire how management intends to address the matter in the financial statements.	
60. If management does not amend the financial statements in circumstances where the practitioner believes they need to be amended, and the practitioner's report has already been provided to the entity, the practitioner shall notify management and those charged with governance not to issue the financial statements to third parties before the necessary amendments have been made. If the financial statements are nevertheless subsequently issued without the necessary amendments, the practitioner shall take appropriate action to seek to	**.76** If management does not revise the financial statements in circumstances when the accountant believes they need to be revised, then *a.* if the reviewed financial statements have not been made available to third parties, the accountant should notify management and those charged with governance, unless all of those charged with governance are involved in managing the entity, not to make the reviewed	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
prevent reliance on the practitioner's report.	financial statements available to third parties before the necessary revisions have been made and a new accountant's review report on the revised financial statements has been provided. If the reviewed financial statements are, nevertheless, subsequently made available to third parties without the necessary revisions, the accountant should apply the requirements of paragraph .76*b*. *b.* if the reviewed financial statements have been made available to third parties, the accountant should assess whether the steps taken by management are timely and appropriate to ensure that anyone in receipt of the reviewed financial statements is informed of the situation, including that the reviewed financial statements are not to be used. If management does not take the necessary steps, the	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
	accountant should apply the requirements of paragraph .77.	
61. The practitioner shall request management to provide a written representation that management has fulfilled its responsibilities described in the agreed terms of engagement. The written representation shall include that: (a) Management has fulfilled its responsibility for the preparation of financial statements in accordance with the applicable financial reporting framework, including where relevant their fair presentation, and has provided the practitioner with all relevant information and access to information as agreed in the terms of the engagement; and	**.34** For all financial statements presented and all periods covered by the review, the accountant should request management to provide written representations that are dated as of the date of the accountant's review report stating that *a.* management has fulfilled its responsibility for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework, as set out in the terms of the engagement. *b.* management acknowledges its responsibility for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements, including its responsibility to prevent and detect fraud.	Paragraph .34c of AR-C section 90 requires that the representations include that management has provided the accountant with all relevant information and access, as agreed upon in the terms of the engagement.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
	c. management has provided the accountant with all relevant information and access, as agreed upon in the terms of the engagement. *d.* management has responded fully and truthfully to all of the accountant's inquiries	
(b) All transactions have been recorded and are reflected in the financial statements.	*e.* all transactions have been recorded and are reflected in the financial statements.	
If law or regulation requires management to make written public statements about its responsibilities, and the practitioner determines that such statements provide some or all of the representations required by subparagraphs (a)–(b), the relevant matters covered by such statements need not be included in the written representation. 62. The practitioner shall also request management's written representations that management has disclosed to the practitioner:	*f.* management has disclosed to the accountant its knowledge of fraud or suspected fraud affecting the entity involving i. management, ii. employees who have significant roles in internal control, or iii. others, when the fraud could have a material effect on the financial statements. *g.* management has disclosed to the accountant its knowledge of any allegations of fraud or	The ARSC does not feel that this is relevant.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(a) The identity of the entity's related parties and all the related party relationships and transactions of which management is aware;	suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.	Paragraph .34l of AR-C section 90.
(b) Significant facts relating to any frauds or suspected frauds known to management that may have affected the entity;	*h.* management has disclosed to the accountant all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.	Paragraph .34f of AR-C section 90.
(c) Known actual or possible non-compliance with laws and regulations for which the effects of non-compliance affect the entity's financial statements;		Paragraph .34h of AR-C section 90.
(d) All information relevant to use of the going concern assumption in the financial statements;	*i.* whether management believes that the effects of uncorrected misstatements are immaterial, individually and in the aggregate, to the financial statements as a whole. A summary of such items should be included in, or attached to, the written representation.	This required representation is incremental and is included in the proposed Omnibus – 2018 SSARS.
(e) That all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure, have been adjusted or disclosed;		Paragraph .34m of AR-C section 90.
(f) Material commitments, contractual obligations or contingencies that have affected or may affect the entity's	*j.* management has disclosed to the accountant all known actual or possible litigation and claims whose effects should be considered when preparing the	This is an incremental procedure and is included in the summary of incremental procedures to be performed.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
financial statements, including disclosures; and (g) Material non-monetary transactions or transactions for no consideration undertaken by the entity in the financial reporting period under consideration.	financial statements, and it has appropriately accounted for and disclosed such litigation and claims in accordance with the applicable financial reporting framework. *k.* whether management believes that significant assumptions used by it in making accounting estimates are reasonable. *l.* management has disclosed to the accountant the identity of the entity's related parties and all of the related party relationships and transactions of which it is aware, and it has appropriately accounted for and disclosed such relationships and transactions. *m.* all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.	This is an incremental procedure and is included in the summary of incremental procedures to be performed.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
63. If management does not provide one or more of the requested written representations, the practitioner shall: (a) Discuss the matter with management and those charged with governance, as appropriate; (b) Re-evaluate the integrity of management, and evaluate the effect that this may have on the reliability of representations (oral or written) and evidence in general; and (c) Take appropriate actions, including determining the possible effect on the conclusion in the practitioner's report in accordance with this ISRE. 64. The practitioner shall disclaim a conclusion on the financial statements, or withdraw from the engagement if withdrawal is possible under applicable law or regulation, as appropriate, if: (a) The practitioner concludes that there is sufficient doubt about the integrity of management such that the written representations are not reliable; or	**.37** If, in relation to the written representations required by paragraphs .34−.35 *a.* management does not provide the written representations, or *b.* the accountant concludes that there is cause to doubt management's integrity such that the written representations provided are not reliable the accountant should discuss the matter with management and those charged with governance, as appropriate. If management does not provide the required representations or the accountant continues to doubt management's integrity such that the written representations provided may not be reliable, the accountant should withdraw from the engagement.	Not incremental. AR-C section 90 does not contemplate the issuance of a disclaimer.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(b) Management does not provide the required representations required by paragraph 61.		
65. The date of the written representations shall be as near as practicable to, but not after, the date of the practitioner's report. The written representations shall be for all financial statements and period(s) referred to in the practitioner's report.		Paragraph .A56 of AR-C section 90 reads as follows: Because written representations are necessary review evidence, the accountant has not obtained limited assurance as a basis for reporting whether the accountant is aware of any material modifications that should be made to the financial statements in order for the statements to be in accordance with the applicable financial reporting framework and the accountant's review report cannot be dated before the date of the written representations. Furthermore, because the accountant is concerned with events occurring up to the date of the accountant's review report that may require adjustment to, or disclosure in, the financial statements, the written representations are dated as of the date of the accountant's review report on the financial statements.
66. The practitioner shall evaluate whether sufficient appropriate evidence has been obtained from the procedures performed	**.31** The accountant should evaluate whether sufficient appropriate review evidence has been obtained from the	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
and, if not, the practitioner shall perform other procedures judged by the practitioner to be necessary in the circumstances to be able to form a conclusion on the financial statements.	procedures performed and, if not, the accountant should perform other procedures judged by the accountant to be necessary in the circumstances to be able to form a conclusion on the financial statements.	
67. If the practitioner is not able to obtain sufficient appropriate evidence to form a conclusion, the practitioner shall discuss with management and those charged with governance, as appropriate, the effects such limitations have on the scope of the review.		AR-C section 90 does not permit the accountant to perform a review if there is a scope limitation.
68. The practitioner shall evaluate the evidence obtained from the procedures performed to determine the effect on the practitioner's report.		See paragraphs 29 and 31 of AR-C section 90.
69. In forming the conclusion on the financial statements, the practitioner shall: (a) Evaluate whether the financial statements adequately refer to or describe the applicable financial reporting framework; (b) Consider whether, in the context of the requirements of the applicable financial reporting framework and the results of procedures performed:		The requirement in AR-C section 90 that the accountant determine that the financial statements are not materially misstated is substantially similar.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(i) The terminology used in the financial statements, including the title of each financial statement, is appropriate; (ii) The financial statements adequately disclose the significant accounting policies selected and applied; (iii) The accounting policies selected and applied are consistent with the applicable financial reporting framework and are appropriate; (iv) Accounting estimates made by management appear reasonable; (v) The information presented in the financial statements appears relevant, reliable, comparable, and understandable; and (vi) The financial statements provide adequate disclosures to enable the intended users to understand the effects of material transactions and events on the information conveyed in the financial statements.		
70. The practitioner shall consider the impact of:	**.27** The accountant should accumulate misstatements, including inadequate disclosure, identified by the accountant in	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(a) Uncorrected misstatements identified during the review, and in the previous year's review of the entity's financial statements, on the financial statements as a whole; and (b) Qualitative aspects of the entity's accounting practices, including indicators of possible bias in management's judgments.	performing the review procedures or brought to the accountant's attention during the performance of the review. **.28** The accountant should evaluate, individually and in the aggregate, misstatements, including inadequate disclosure, accumulated in accordance with paragraph .27 to determine whether material modification should be made to the financial statements for them to be in accordance with the applicable financial reporting framework.	See paragraph .15 of AR-C section 90 regarding knowledge of the entity.
71. If the financial statements are prepared using a fair presentation framework, the practitioner's consideration shall also include: (a) The overall presentation, structure and content of the financial statements in accordance with the applicable framework; and (b) Whether the financial statements, including the related notes, appear to represent the underlying transactions and events in a manner that achieves fair presentation or gives a true and fair view, as appropriate, in the context of the financial statements as a whole.		This is an incremental procedure and is included in the summary of incremental procedures to be performed.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
72. The practitioner's conclusion on the financial statements, whether unmodified or modified, shall be expressed in the appropriate form in the context of the financial reporting framework applied in the financial statements.		This is not considered an incremental procedure as the AR-C section 90 reporting framework is financial reporting framework neutral.
73. The practitioner shall express an unmodified conclusion in the practitioner's report on the financial statements as a whole when the practitioner has obtained limited assurance to be able to conclude that nothing has come to the practitioner's attention that causes the practitioner to believe that the financial statements are not prepared, in all material respects, in accordance with the applicable financial reporting framework.		Not incremental.
74. When the practitioner expresses an unmodified conclusion, the practitioner shall, unless otherwise required by law or regulation, use one of the following phrases, as appropriate: (a) "Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects (or do not give a true and fair view), … in accordance with the		Not incremental.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
applicable financial reporting framework," (for financial statements prepared using a fair presentation framework); or (b) "Based on our review, nothing has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with the applicable financial reporting framework," (for financial statements prepared using a compliance framework).		
75. The practitioner shall express a modified conclusion in the practitioner's report on the financial statements as a whole when: (a) The practitioner determines, based on the procedures performed and the evidence obtained, that the financial statements are materially misstated; or (b) The practitioner is unable to obtain sufficient appropriate evidence in relation to one or more items in the financial statements that are material in relation to the financial statements as a whole.		Paragraphs .56-.60 of AR-C section 90 provides the requirements when the accountant is aware of a departure from the applicable financial reporting framework. Prohibited by AR-C section 90.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
76. When the practitioner modifies the conclusion expressed on the financial statements, the practitioner shall: (a) Use the heading "Qualified Conclusion," "Adverse Conclusion" or "Disclaimer of Conclusion," as appropriate, for the conclusion paragraph in the practitioner's report; and (b) Provide a description of the matter giving rise to the modification, under an appropriate heading (for example, "Basis for Qualified Conclusion," "Basis for Adverse Conclusion" or "Basis for Disclaimer of Conclusion," as appropriate), in a separate paragraph in the practitioner's report immediately before the conclusion paragraph (referred to as the basis for conclusion paragraph).		Paragraph .57 of AR-C section 90 requires that the separate paragraph use the heading "Known Departure From the [*identify the applicable financial reporting framework*]" AR-C section 90 does not provide for adverse review reports or disclaimers in a review report.
77. If the practitioner determines that the financial statements are materially misstated, the practitioner shall express: (a) A qualified conclusion, when the practitioner concludes that the effects of the matter(s) giving rise to the		

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
modification are material, but not pervasive to the financial statements; or (b) An adverse conclusion, when the effects of the matter(s) giving rise to the modification are both material and pervasive to the financial statements.		
78. When the practitioner expresses a qualified conclusion on the financial statements because of a material misstatement, the practitioner shall, unless otherwise required by law or regulation, use one of the following phrases, as appropriate: (a) "Based on our review, except for the effects of the matter(s) described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects (or do not give a true and fair view), … in accordance with the applicable financial reporting framework," (for financial statements prepared using a fair presentation framework); or		

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(b) "Based on our review, except for the effects of the matter(s) described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with the applicable financial reporting framework," (for financial statements prepared using a compliance framework).		
79. When the practitioner expresses an adverse conclusion on the financial statements, the practitioner shall, unless otherwise required by law or regulation, use one of the following phrases, as appropriate: (a) "Based on our review, due to the significance of the matter(s) described in the Basis for Adverse Conclusion paragraph, the financial statements do not present fairly, in all material respects (or do not give a true and fair view), … in accordance with the applicable financial reporting framework," (for financial statements		

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
prepared using a fair presentation framework); or (b) "Based on our review, due to the significance of the matter(s) described in the Basis for Adverse Conclusion paragraph, the financial statements are not prepared, in all material respects, in accordance with the applicable financial reporting framework," (for financial statements prepared using a compliance framework).		
80. In the basis for conclusion paragraph, in relation to material misstatements that give rise to either a qualified conclusion or an adverse conclusion, the practitioner shall: (a) Describe and quantify the financial effects of the misstatement if the material misstatement relates to specific amounts in the financial statements (including quantitative disclosures), unless impracticable, in which case the practitioner shall so state;	**.57** If the accountant concludes that modification of the standard report is adequate, the departure should be disclosed in a separate paragraph of the report under the heading "Known Departures From the [*identify the applicable financial reporting framework*]," including disclosure of the effects of the departure on the financial statements if such effects have been determined by management or are known to the accountant as the result of the accountant's procedures.	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(b) Explain how disclosures are misstated if the material misstatement relates to narrative disclosures; or (c) Describe the nature of omitted information if the material misstatement relates to the non-disclosure of information required to be disclosed. Unless prohibited by law or regulation, the practitioner shall include the omitted disclosures where practicable to do so.		AR-C section 90 requires the disclosure of known framework departures.
81. If the practitioner is unable to form a conclusion on the financial statements due to inability to obtain sufficient appropriate evidence, the practitioner shall: (a) Express a qualified conclusion if the practitioner concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive; or (b) Disclaim a conclusion if the practitioner concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.		Paragraph .31 of AR-C section 90 requires the accountant to evaluate whether sufficient appropriate review evidence has been obtained and if not, the accountant is required to perform additional procedures necessary to be able to form a conclusion on the financial statements. Paragraph .A47 of AR-C section 90 reads as follows: **.A47** In some circumstances, the accountant may not have obtained the evidence that the accountant had expected to obtain through the design of primarily inquiry and analytical procedures and

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
		procedures addressing specific circumstances. In these circumstances, the accountant considers that the evidence obtained from the procedures performed is not sufficient and appropriate to be able to form a conclusion on the financial statements. The accountant may • extend the work performed or • perform other procedures judged by the practitioner to be necessary in the circumstances. When neither of these is practicable in the circumstances, the accountant will not be able to obtain sufficient appropriate evidence to be able to form a conclusion and is required by this section to determine the effect on the accountant's ability to complete the engagement. This situation may arise even though the accountant has not become aware of a matter(s) that causes the accountant to believe the financial statements may be materially misstated.
82. The practitioner shall withdraw from the engagement if the following conditions are present:		

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(a) Due to a limitation on the scope of the review imposed by management after the practitioner has accepted the engagement, the practitioner is unable to obtain sufficient appropriate evidence to form a conclusion on the financial statements;		The requirement in subparagraph (a) is implied in a review in accordance with AR-C section 90.
(b) The practitioner has determined that the possible effects on the financial statements of undetected misstatements are material and pervasive; and (c) Withdrawal is possible under applicable law or regulation.	**.59** If the accountant believes that modification of the standard report is not adequate to indicate the deficiencies in the financial statements as a whole, the accountant should withdraw from the review engagement.	AR-C section 90 permits the accountant to use his or her judgment in determining whether modification of the standard review report is adequate to disclose a deficiency in the financial statements – including those determined to be "material and pervasive."
83. When the practitioner expresses a qualified conclusion on the financial statements due to inability to obtain sufficient appropriate evidence, the practitioner shall, unless otherwise required by law or regulation, use one of the following phrases, as appropriate: (a) "Based on our review, except for the possible effects of the matter(s) described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do		Not incremental.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
not present fairly, in all material respects (or do not give a true and fair view), … in accordance with the applicable financial reporting framework," (for financial statements prepared using a fair presentation framework); or (b) "Based on our review, except for the possible effects of the matter(s) described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with the applicable financial reporting framework," (for financial statements prepared using a compliance framework).		
84. When disclaiming a conclusion on the financial statements the practitioner shall state in the conclusion paragraph that: (a) Due to the significance of the matter(s) described in the Basis for Disclaimer of Conclusion paragraph, the practitioner is unable to obtain sufficient appropriate evidence to form		AR-C section 90 does not permit a disclaimer in a review engagement.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
a conclusion on the financial statements; and (b) Accordingly, the practitioner does not express a conclusion on the financial statements.		
85. In the basis for conclusion paragraph, in relation to either the qualified conclusion due to inability to obtain sufficient appropriate evidence or when the practitioner disclaims a conclusion, the practitioner shall include the reason(s) for the inability to obtain sufficient appropriate evidence.		Not incremental.
86. The practitioner's report for the review engagement shall be in writing, and shall contain the following elements: (a) A title, which shall clearly indicate that it is the report of an independent practitioner for a review engagement; (b) The addressee(s), as required by the circumstances of the engagement; (c) An introductory paragraph that: (i) Identifies the financial statements reviewed, including identification of the title of each of the statements	**.39** The written review report should include *a.* a title that includes the word *independent* to clearly indicate that it is the report of an independent accountant. *b.* an addressee, as appropriate for the circumstances of the engagement. *c.* an introductory paragraph that i. identifies the entity whose financial statements have been reviewed,	Paragraph .A65 of AR-C section 90 states that an appropriate title would be "Independent Accountant's Review Report." The ARSC intentionally did not require that the title indicate that it is a review report to address those instances in which the report references a compilation on the prior year. Lines up with the requirement in paragraph .39(c)iii of AR-C section 90.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
contained in the set of financial statements and the date and period covered by each financial statement; (ii) Refers to the summary of significant accounting policies and other explanatory information; and (iii) States that the financial statements have been reviewed;	ii. states that the financial statements identified in the report were reviewed, iii. identifies the financial statements, iv. specifies the date or period covered by each financial statement, v. includes a statement that a review includes primarily applying analytical procedures to management's (owner's) financial data and making inquiries of company management (owners), and vi. includes a statement that a review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole, and that, accordingly, the accountant does not express such an opinion.	The ISRE (2400) requirement is more prescriptive. Not required in AR-C section 90 as such material is considered part of the financial statements. Lines up with paragraph .39(c)ii of AR-C section 90.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(d) A description of the responsibility of management for the preparation of the financial statements, including an explanation that management is responsible for: (i) Their preparation in accordance with the applicable financial reporting framework including, where relevant, their fair presentation; (ii) Such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; (e) If the financial statements are special purpose financial statements: (i) A description of the purpose for which the financial statements are prepared and, if necessary, the intended users, or reference to a note in the special purpose financial statements that contains that information; and	*d.* a section with the heading "Management's Responsibility for the Financial Statements" that includes an explanation that management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of financial statements in accordance with the applicable financial reporting framework.	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(ii) If management has a choice of financial reporting frameworks in the preparation of such financial statements, a reference within the explanation of management's responsibility for the financial statements to management's responsibility for determining that the applicable financial reporting framework is acceptable in the circumstances;		Lines up with paragraph .42(a) of AR-C section 90.
(f) A description of the practitioner's responsibility to express a conclusion on the financial statements including reference to this ISRE and, where relevant, applicable law or regulation;	*e.* a section with the heading "Accountant's Responsibility" that includes the following statements:	Not incremental.
(g) A description of a review of financial statements and its limitations, and the following statements: (i) A review engagement under this ISRE is a limited assurance engagement; (ii) The practitioner performs procedures, primarily consisting of	i. The accountant's responsibility is to conduct the review engagement in accordance with SSARSs promulgated by the Accounting and Review Services Committee of the AICPA. The accountant's review report should also explain that those standards require that the accountant perform the	Not incremental.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained; and (iii) The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISAs), and, accordingly, the practitioner does not express an audit opinion on the financial statements;	procedures to obtain limited assurance as a basis for reporting whether the accountant is aware of any material modifications that should be made to the financial statements for them to be in accordance with the applicable financial reporting framework. ii. The accountant believes that the review evidence the accountant has obtained is sufficient and appropriate to provide a basis for the accountant's conclusion.	Lines up with paragraph .39(c)v of AR-C section 90. Lines up with paragraph .39(c)vi of AR-C section 90.
(h) A paragraph under the heading "Conclusion" that contains: (i) The practitioner's conclusion on the financial statements as a whole in accordance with paragraphs 72–85, as appropriate; and	*f.* a concluding section with an appropriate heading that includes a statement about whether the accountant is aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with the applicable	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(ii) A reference to the applicable financial reporting framework used to prepare the financial statements, including identification of the jurisdiction of origin of the financial reporting framework that is not International Financial Reporting Standards or International Financial Reporting Standard for Small and Medium-sized Entities issued by the International Accounting Standards Board, or International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board;	financial reporting framework and that identifies the country of origin of those accounting principles, if applicable.	
(i) When the practitioner's conclusion on the financial statements is modified: (i) A paragraph under the appropriate heading that contains the practitioner's modified conclusion in accordance with paragraphs 72 and 75–85, as appropriate; and (ii) A paragraph, under an appropriate heading, that provides a description of the matter(s) giving rise to the modification;	*g.* the manual or printed signature of the accountant's firm.	Reporting known departures from the applicable financial reporting framework is

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(j) A reference to the practitioner's obligation under this ISRE to comply with relevant ethical requirements; (k) The date of the practitioner's report; (l) The practitioner's signature; and (m) The location in the jurisdiction where the practitioner practices.	*h.* the city and state where the accountant practices. *i.* the date of the review report, which should be dated no earlier than the date on which the accountant completed procedures sufficient to obtain limited assurance as a basis for reporting whether the accountant is aware of any material modifications that should be made to the financial statements for them to be in accordance with the applicable financial reporting framework, including evidence that i. all the statements that the financial statements comprise, including the related notes, have been prepared and ii. management has asserted that they have taken responsibility for those financial statements. **.40** The accountant should modify the review report when the accountant	addressed in paragraphs .56-.60 of AR-C section 90. Lines up with paragraph .39g of AR-C section 90. Lines up with paragraph .39h of AR-C section 90.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
	becomes aware that the financial statements do not include *a.* a description of the special purpose framework. *b.* a summary of significant accounting policies. *c.* an adequate description about how the special purpose framework differs from GAAP. The effects of these differences need not be quantified. *d.* informative disclosures similar to those required by GAAP when the financial statements contain items that are the same as, or similar to, those in financial statements prepared in accordance with GAAP. **.42** The accountant's review report on financial statements prepared in accordance with a special purpose framework should *a.* make reference to management's responsibility for determining that the applicable financial reporting	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
	framework is acceptable in the circumstances when management has a choice of financial reporting frameworks in the preparation of such financial statements. *b.* describe the purpose for which the financial statements are prepared or refer to a note in the financial statements that contains that information when the financial statements are prepared in accordance with a regulatory- or contractual-basis of accounting.	
87. The practitioner may consider it necessary to draw users' attention to a matter presented or disclosed in the financial statements that, in the practitioner's judgment, is of such importance that it is fundamental to users' understanding of the financial statements. In such cases, the practitioner shall include an Emphasis of Matter paragraph in the practitioner's report, provided the practitioner has obtained sufficient appropriate evidence to conclude that the matter is not likely to be materially	**.52** If the accountant considers it necessary to draw users' attention to a matter appropriately presented or disclosed in the financial statements that, in the accountant's professional judgment, is of such importance that it is fundamental to users' understanding of the financial statements, the accountant should include an emphasis-of-matter paragraph in the accountant's review report, provided that the accountant does not believe that the financial statements may be materially misstated. Such a paragraph should refer	Substantially similar to the AR-C section 90 requirements with respect to emphasis-of-matter paragraphs.

ISRE 2400 (Revised) requirements[1]	**Corresponding AR-C section 90 requirement**	**Notes**
misstated as presented in the financial statements. Such paragraph shall refer only to information presented or disclosed in the financial statements.	only to information presented or disclosed in the financial statements.	
88. The practitioner's report on special purpose financial statements shall include an Emphasis of Matter paragraph alerting users of the practitioner's report that the financial statements are prepared in accordance with a special purpose framework and that, as a result, the financial statements may not be suitable for another purpose.	**.43** The accountant's review report on financial statements prepared in accordance with a special purpose framework should include an emphasis-of-matter paragraph, under an appropriate heading, that *a.* indicates that the financial statements are prepared in accordance with the applicable special purpose framework, *b.* refers to the note to the financial statements that describes the framework, and *c.* states that the special purpose framework is a basis of accounting other than GAAP.	
89. The practitioner shall include an Emphasis of Matter paragraph immediately after the paragraph that contains the practitioner's conclusion on the financial statements under the heading "Emphasis of Matter," or other appropriate heading.	**.53** When the accountant includes an emphasis-of-matter paragraph in the accountant's review report, the accountant should *a.* include it immediately after the accountant's conclusion	

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
	paragraph in the accountant's review report, *b.* use the heading "Emphasis of a Matter" or other appropriate heading, *c.* include in the paragraph a clear reference to the matter being emphasized and to where relevant disclosures that fully describe the matter can be found in the financial statements, and *d.* indicate that the accountant's conclusion is not modified with respect to the matter emphasized.	
90. If the practitioner considers it necessary to communicate a matter other than those that are presented or disclosed in the financial statements that, in the practitioner's judgment, is relevant to users' understanding of the review, the practitioner's responsibilities or the practitioner's report and this is not prohibited by law or regulation, the practitioner shall do so in a paragraph in the practitioner's report with the heading	**.54** If the accountant considers it necessary to communicate a matter other than those that are presented or disclosed in the financial statements that, in the accountant's professional judgment, is relevant to the users' understanding of the review, the accountant's responsibilities, or the accountant's review report, the accountant should do so in a paragraph in the accountant's review report with the heading "Other Matter" or other	Not necessary in American practice environment.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
“Other Matter” or other appropriate heading.	appropriate heading. The accountant should include this paragraph immediately after the accountant’s conclusion paragraph and any emphasis-of-matter paragraph.	
91. A practitioner may be requested to address other reporting responsibilities in the practitioner’s report on the financial statements that are in addition to the practitioner’s responsibilities under this ISRE to report on the financial statements. In such situations, those other reporting responsibilities shall be addressed by the practitioner in a separate section in the practitioner’s report headed “Report on Other Legal and Regulatory Requirements,” or otherwise as appropriate to the content of the section, following the section of the report headed “Report on the Financial Statements.”		This is an international issue and not necessary for SSARSs.
92. The practitioner shall date the report no earlier than the date on which the practitioner has obtained sufficient appropriate evidence as the basis for the practitioner’s conclusion on the financial statements, including being satisfied that: (a) All the statements that comprise the financial statements under the		Lines up with paragraph .39i of AR-C section 90.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
applicable financial reporting framework, including the related notes where applicable, have been prepared; and (b) Those with the recognized authority have asserted that they have taken responsibility for those financial statements.		
93. The preparation of documentation for the review provides evidence that the review was performed in accordance with this ISRE, and legal and regulatory requirements where relevant, and a sufficient and appropriate record of the basis for the practitioner's report. The practitioner shall document the following aspects of the engagement in a timely manner, sufficient to enable an experienced practitioner, having no previous connection with the engagement, to understand: (a) The nature, timing, and extent of the procedures performed to comply with this ISRE and applicable legal and regulatory requirements;	**.91** The accountant should prepare review documentation that is sufficient to enable an experienced accountant, having no previous connection to the review, to understand *a.* the nature, timing, and extent of the review procedures performed to comply with SSARSs;	Not incremental.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
(b) Results obtained from the procedures, and the practitioner's conclusions formed on the basis of those results; and (c) Significant matters arising during the engagement, the practitioner's conclusions reached thereon, and significant professional judgments made in reaching those conclusions.	*b.* the results of the review procedures performed and the review evidence obtained; and *c.* significant findings or issues arising during the review, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions.	
94. In documenting the nature, timing and extent of procedures performed as required in this ISRE, the practitioner shall record: (a) Who performed the work and the date such work was completed; and (b) Who reviewed the work performed for the purpose of quality control for the engagement, and the date and extent of the review.		This is an incremental procedure and is included in the summary of incremental procedures to be performed.
95. The practitioner shall also document discussions with management, those charged with governance, and others as relevant to the performance of the review of significant matters arising during the engagement, including the nature of those matters.		This is an incremental procedure and is included in the summary of incremental procedures to be performed.

ISRE 2400 (Revised) requirements[1]	Corresponding AR-C section 90 requirement	Notes
96. If, in the course of the engagement, the practitioner identified information that is inconsistent with the practitioner's findings regarding significant matters affecting the financial statements, the practitioner shall document how the inconsistency was addressed.		This is an incremental procedure and is included in the summary of incremental procedures to be performed.